



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

May 23, 2008

S. 617

Public Land Military Pass Act

*As ordered reported by the Senate Committee on Energy and Natural Resources
on May 7, 2008*

SUMMARY

S. 617 would allow veterans, active-duty military personnel, and reservists to purchase National Parks and Federal Recreational Lands Passes for \$10 a year. Such passes currently sell for \$80 and can be used for admission to (or use of) recreation areas managed by the Department of the Interior (DOI) or the Forest Service.

CBO estimates that enacting the bill would increase net direct spending by a total of \$20 million over the 2009-2018 period. Enacting S. 617 would not affect revenues. In addition, CBO estimates that implementing S. 617 would result in additional discretionary costs of about \$20 million over the 2009-2018 period, assuming appropriation of the necessary amounts.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would have no significant impact on the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 617 is shown in the following table. The effects of this legislation fall within budget function 300 (natural resources and environment).

By Fiscal Year, in Millions of Dollars

2009- 2009-
2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2013 2018

CHANGES IN DIRECT SPENDING

Forgone Receipts from Recreation Fees												
Estimated Budget Authority	25	25	25	25	25	25	25	25	25	25	125	250
Estimated Outlays	25	25	25	25	25	25	25	25	25	25	125	250
Effect on Spending of Recreation Fees												
Estimated Budget Authority	-25	-25	-25	-25	-25	-25	-25	-25	-25	-25	-125	-250
Estimated Outlays	-11	-20	-24	-25	-25	-25	-25	-25	-25	-25	-105	-230
Net Change in Direct Spending												
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	14	5	1	0	0	0	0	0	0	0	20	20

CHANGES IN SPENDING SUBJECT TO APPROPRIATION

Estimated Authorization Level	2	2	2	2	2	2	2	2	2	2	10	20
Estimated Outlays	2	2	2	2	2	2	2	2	2	2	10	20

BASIS OF ESTIMATE

Under S. 617, eligible individuals would be able to purchase a \$10 annual pass that would entitle them to admission to or use of recreation areas managed by DOI or the Forest Service. Federal land management agencies such as the National Park Service (NPS) and the Forest Service currently charge \$80 for such passes. The agencies also offer site-specific annual passes, at prices ranging between \$10 and \$50, as well as daily entrance or service rates, which can be as much as \$25 per vehicle. In total, those agencies collect more than \$250 million a year from recreation fees.

Providing annual passes to recreation areas at a discounted rate would affect the federal budget. The magnitude of any change in offsetting receipts (and associated spending) would depend on several factors, including the number of eligible individuals who currently visit federal recreation areas, the types of fees (such as annual or per-visit), if any, that they currently pay, and the number of individuals who would take advantage of the discounted passes.

Assuming that the 14 million veterans and other eligible individuals use federal recreation areas as often as the general population of Americans, we estimate that about 1.4 million people would purchase the discounted pass rather than buy other annual passes or pay daily

fees. (The number of eligible individuals using parks could increase as a result of the rate discount, but CBO expects that the change would be small.) As a result, we estimate that the net change in offsetting receipts from recreation area fees would be a reduction of about \$250 million over the 2009-2018 period. Most of the loss (about \$20 million a year) would be incurred by the NPS, primarily from reductions in daily fee collections.

Spending of recreation fees (which are available for expenditure without further appropriation) also would fall as a result of the bill, but more slowly than receipts, because some of that spending generally lags fee collections by a year or more. Based on typical spending patterns for recreation projects, CBO estimates that direct spending from fees would fall by about \$230 million over the 2009-2018 period under the bill. Thus, we estimate that enacting S. 617 would increase net direct spending over the 10-year period by \$20 million.

Based on information provided by the affected agencies, CBO estimates that DOI and the Forest Service would spend about \$2 million a year to administer the new pass program. That amount would include annual costs to produce and ship the new passes to recreation areas and up-front costs to establish standards for eligibility.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 617 contains no intergovernmental or private-sector mandates as defined in UMRA and would have no significant impact on the budgets of state, local, or tribal governments.

ESTIMATE PREPARED BY:

Federal Costs: Deborah Reis

Impact on State, Local, and Tribal Governments: Melissa Merrell

Impact on the Private Sector: MarDestinee Perez

ESTIMATE APPROVED BY:

Peter H. Fontaine

Assistant Director for Budget Analysis